

From: "Erica Hayman" <ehayman@vt.edu> on 03/28/2005 08:11:16 PM

Subject: Truth in Lending

Dear Ms. Johnson,

I am currently a senior at Virginia Tech, majoring in Consumer Studies. It has come to my attention that the credit card industry is fully to blame for the exhausting number of consumers in financial turmoil today. The bottom line is that the ever-changing consumer rules of credit card issuers and complicated language used when information is given to consumers by credit companies is not fair to the everyday consumer.

As a college student, I consider myself to be well-educated and aware of the consequences associated with credit cards. Applying for credit cards and owning credit cards should be consumer-friendly services. Comparing billing information, fees, terms, and rates of two different credit cards is impossible, because credit card companies choose to display information in such a manner that a "normal person" is unable to comprehend. It is often hidden in fine print and in unclear language. This is morally wrong. The Schumer box is helpful and it needs to be expanded to require more information to be provided in simple, easy to compare terms. Credit cards should also specifically include clear information describing how long it will take to pay and the total cost if only the minimum payment is paid for that consumer's bill.

Many new rules remove the level playing field between consumers and issuers and unfairly favor the issuers. For example, today most credit issuers require mandatory arbitration with no possibility of redress through the courts, forcing consumers to give up a basic right or not have a credit card. Their signature is not "agreeing" with this issuer rule. Instead, the credit card issuer is taking advantage of a "normal" consumer by using complicated terms and phrases and even including information that confuses and misdirects the typical individual.

Consumers need exact and concise information when it comes to applying for credit cards and using them. This simple act of protection will guarantee that the number of those in debt will significantly decrease. While this letter may be stating the obvious, it is critical that the current study of the rules concerning open ended credit uphold and improve existing consumer protections.

Respectfully Submitted,

Erica K. Hayman